

**CALIFORNIA HOUSING FINANCE AGENCY  
FINANCING RIDER**

THIS CALIFORNIA HOUSING FINANCE AGENCY ("CalHFA") FINANCING RIDER is made as of this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, and is incorporated into and shall be deemed to amend and supplement the Note ("Note") and the Deed of Trust ("Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Note to \_\_\_\_\_ or its successors and assigns ("Lender") of the same date and covering the property described in the Security Instrument and located at: \_\_\_\_\_, California \_\_\_\_\_ (the "Property").

In addition to the covenants and agreements made in the Note and Security Instrument, Borrower further covenants and agrees to amend the acceleration provisions of the Note and Security Instrument by adding additional grounds for acceleration as follows:

Lender may require immediate payment in full of all sums secured by the Security Instrument if:

- (a) All or part of the Property is sold or otherwise transferred by Borrower to a purchaser or other transferee:
  - (i) who cannot reasonably be expected to occupy the Property as a principal residence within a reasonable time after the sale or transfer, all as provided in Section 143 (c) and (i) (2) of the Internal Revenue Code; or
  - (ii) who has had a present ownership interest in a principal residence during any part of the three-year period ending on the date of the sale or transfer, all as provided in Section 143 (d) and (i) (2) of the Internal Revenue Code (except that "100 percent" shall be substituted for "95 percent or more" where the latter appears in Section 143 (d) (1)); or
  - (iii) at an acquisition cost which is greater than ninety percent (90%) of the average area purchase price (greater than 110 percent for targeted area residences), all as provided in Section 143 (e) and (i) (2) of the Internal Revenue Code; or
  - (iv) who has a gross family income in excess of the applicable percentage of applicable median family income as provided in Section 143 (f) and (i) (2) of the Internal Revenue Code; or
  - (v) who does not meet all other conditions applicable to CalHFA's financing in effect at the time of transfer including, but not limited to, CalHFA's loan underwriting standards; or
  - (vi) who does not meet the then applicable Internal Revenue Code conditions relating to qualified mortgage bond financing.
- (b) Notwithstanding any other provision in the Security Instrument regarding occupancy, Borrower fails to occupy the Property without the prior written consent of Lender described at the beginning of this CalHFA Financing Rider; or
- (c) Borrower omitted or misrepresented a fact that is material with respect to these provisions of Section 143 of the Internal Revenue Code or with respect to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (and/or CalHFA's regulations in regard thereto), in an application for the loan secured by the Security Instrument.

IF ANY SUBORDINATE LENDER EXERCISES THE POWER OF SALE IN ITS SECURITY INSTRUMENT, ANY PURCHASER THEREUNDER SHALL BE SUBJECT TO THE CONDITIONS OF THE PREVIOUS PARAGRAPH IN ADDITION TO THOSE IN THE SECURITY INSTRUMENT.

References are to the Internal Revenue Code as amended and in effect on the date of issuance of the bonds, the proceeds of which were or will be used to finance the purchase of the Security Instrument and are deemed to include the implementing regulations.

Subject to applicable law, and without limiting any rights otherwise provided in the Note or Security Instrument, Lender may establish an impound account on behalf of Borrower to pay taxes and assessments, hazard insurance premiums (including flood and earthquake, if applicable), and mortgage insurance premiums. If required, this account will be funded by Borrower with monthly payments due to Lender on the same day the monthly installment of principal and interest is payable under the Note, until such Note is paid in full, or as otherwise required by Lender.

In the event any provision herein conflicts with a provision in the Security Instrument, the provision in this CalHFA Financing Rider shall prevail.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions in this CalHFA Financing Rider.

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
(Add any necessary acknowledgement provisions)